



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 27, 2007

H.R. 401

National Capital Transportation Amendments Act of 2007

*As ordered reported by the House Committee on Oversight and Government Reform
on April 18, 2007*

SUMMARY

H.R. 401 would authorize the appropriation of \$1.5 billion for grants to the Washington Metropolitan Area Transit Authority (WMATA) for capital and preventive maintenance projects. Assuming appropriation of the amount specified in the bill, CBO estimates that implementing H.R. 401 would cost \$236 million over the 2010-2012 period and an additional \$1.3 million after 2012.

H.R. 401 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would authorize funding for WMATA activities; any costs to the transit authority, the District of Columbia, Maryland, and Virginia would result from complying with conditions of that federal assistance.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 401 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	0	0	150	150	150
Estimated Outlays	0	0	38	83	115

BASIS OF ESTIMATE

H.R. 401 would authorize the Secretary of Transportation to make grants to WMATA to cover 50 percent of the cost of capital and preventive maintenance projects listed in the Capital Improvement Program approved by the transit authority's board of directors. For those grants, the bill would authorize the appropriation of \$1.5 billion to the Secretary. For this estimate, CBO assumes that the authorized amount will be appropriated in equal installments over a 10-year period, beginning in 2010.

Before receiving the grants, Maryland, Virginia, and the District of Columbia would need to amend the WMATA compact to add four members to the Board of Directors and to make changes to the operation of the Office of the Inspector General. Further, those entities would be required to establish funding sources dedicated solely to the transit authority. CBO expects that those requirements would delay the award of grants until at least 2010.

Assuming appropriation of the \$1.5 billion authorized under H.R. 401, CBO estimates that implementing the bill would cost \$236 million over the 2010-2012 period and another \$1,264 million after 2012. That estimate of outlays is based on historical spending patterns of grants for similar capital and maintenance projects for mass transit systems.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 401 contains no intergovernmental mandates as defined in UMRA.

As a condition of receiving \$1.5 billion over 10 years for certain capital and preventative maintenance projects, the bill would require WMATA to:

- Establish an Office of the Inspector General;
- Expand the Board of Directors;
- Restrict the maximum amount of overtime pay paid to any WMATA employees to one-third of their rate of basic pay for the period;
- Exclude overtime pay from the retirement annuity calculation for WMATA employees, and
- Insure access of rail customers to wireless service.

Also, as a condition of receiving these grants, the District of Columbia, Maryland, and Virginia would be required to earmark funds to match the federal assistance. The bill would restrict the use of federal funds to maintenance and upkeep only.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 401 contains no new private-sector mandates as defined in UMRA.

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